

ORDER NO. 3609

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Tony Hammond

Competitive Product Prices  
Global Reseller Expedited Package Services 2  
(MC2013-51)  
Negotiated Service Agreement

Docket No. CP2017-19

ORDER APPROVING MODIFICATION TO  
GLOBAL RESELLER EXPEDITED PACKAGE SERVICES 2 NEGOTIATED SERVICE  
AGREEMENT

(Issued November 14, 2016)

I. INTRODUCTION

The Postal Service seeks to modify a Global Reseller Expedited Package Services 2 negotiated service agreement.<sup>1</sup> For the reasons discussed below, the Commission approves the Modification.

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<sup>1</sup> Notice of the United States Postal Service of Filing Modification One to a Global Reseller Expedited Package 2 Negotiated Service Agreement, November 10, 2016 (Notice). The modification is an attachment to the Notice (Modification).

In Order No. 3595, the Commission approved the Global Reseller Expedited Package Services 2 negotiated service agreement (Existing Agreement).<sup>2</sup> On November 10, 2016, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement. See Notice. The Postal Service intends for the Modification to become effective on December 1, 2016. *Id.* at 1.

## II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the Modification filed under seal.

*Cost considerations.* The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Modification deletes paragraph 2 of Article 6, regarding an obligation of the reseller, and adjusts paragraph numbers in the remainder of Article 6 and the corresponding cross-references in Article 14 accordingly. Notice, Modification at 1-2. The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

*Other considerations.* The Postal Service states that the Modification shall become effective on December 1, 2016. Notice at 1. The Existing Agreement, as

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<sup>2</sup> See Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, October 28, 2016 (Order No. 3595).

modified, is set to expire one year after the initial effective date unless, among other things, either party terminates the contract with 30 days' written notice to the other party. Order No. 3595 at 5.

If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified.

### III. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission approves the Global Reseller Expedited Package Services 2 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the scheduled expiration date.

By the Commission.

Stacy L. Ruble  
Secretary